

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

-against-

JONA RECHNITZ,

Defendant.

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ALVIN K. HELLERSTEIN, U.S.D.J.:

**ORDER REGULATING
PROCEEDINGS**

16 Cr. 389 (AKH)

In December of 2019, I sentenced Defendant Jona Rechnitz for conspiracy to commit wire fraud. At that time, I ordered Rechnitz to pay \$19 million in restitution, joint and several with his two co-conspirators, Norman Seabrook and Murray Huberfeld, *see* 16 Cr. 467. However, I capped Rechnitz’s restitution liability at \$10 million, to be paid at a rate of \$500,000 per year. *See* ECF No. 80 (sentencing transcript). In February 2020, after I imposed Rechnitz’s sentence, but before the judgment was filed, the Correction Officers’ Benevolent Association (“COBA”)—a victim of the conspiracy in which Rechnitz participated—moved pursuant to the Crime Victims’ Rights Act, *see* 18 U.S.C. § 3771(d)(3), for this Court to order Rechnitz to immediately pay \$14.25 million,¹ arguing that he is as blameworthy as Seabrook and Huberfeld for COBA’s loss and that information that had emerged post-sentencing undermined his claim that he cannot afford to make payments more quickly than \$500,000 per year. *See* ECF Nos. 81, 82. The judgment issued on March 3, 2020, before COBA’s motion had been fully briefed. *See* ECF No. 84. Rechnitz appealed from the judgment on March 17, 2020. *See* ECF No. 86.

On March 26, 2020, I denied COBA’s motion without prejudice. *See* ECF No. 90. I recognized that COBA had made a “compelling point, that Rechnitz, as the arranger of the

¹ COBA has thus far recouped \$4.75 million of its \$19 million loss; hence, the request for only \$14.25 million in immediate payment, rather than the entire \$19 million.

bribe underlying the conspiracy, was just as responsible to make full restitution for COBA's loss as Huberfeld, the bribe-giver, and Seabrook, the bribe-taker." *Id.* at 1-2. And though I expressed that I was "sympathetic to COBA's arguments," I concluded that the filing of the appeal divested this Court of jurisdiction and required COBA to argue its position to the Second Circuit. *Id.* at 2. COBA did just that, continuing its pursuit before the Circuit.

On July 30, 2020, the Second Circuit issued an order returning jurisdiction to this Court by way of a *Jacobson* remand, *see United States v. Jacobson*, 15 F.3d 19 (2d Cir. 1994), in order for me to "reconsider [my] assessment" of Rechnitz's "culpability and financial condition," given the "new evidence" referenced by COBA and "any other factors found relevant." ECF No. 90, at 2. In passing jurisdiction back to me for reconsideration of COBA's motion on the merits, the Circuit also rejected Rechnitz's contention that COBA's motion was untimely. *See id.* at 1.

Jurisdiction having been restored to this Court, I order the parties to brief the merits of COBA's motion as follows. COBA shall file an opening memorandum by August 7, 2020; Rechnitz's opposition will be due by August 14, 2020; and COBA will have until August 19, 2020, to file its reply.

SO ORDERED.

Dated: July 31, 2020
New York, New York

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ALVIN K. HELLERSTEIN
United States District Judge